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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/607,914	06/29/2000	Chingwei Peter Cheng	ORCL5638	2945

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YOUNG LAW FIRM  
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EXAMINER

SHAFFER, ERIC T

ART UNIT PAPER NUMBER

3623

DATE MAILED: 02/26/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/607,914

Applicant(s)

CHENG ET AL.

Examiner

Eric T. Shaffer

Art Unit

3623

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 04 November 2003.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 29 June 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All   b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                             | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____  |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)         | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ | 6) <input type="checkbox"/> Other: _____                                    |

### **DETAILED ACTION**

1. The following communication is in response to the amendments filed November 4, 2003.

#### ***Summary Of Instant Office Action***

2. Applicant's arguments, filed November 4, 2003, concerning claims 1 – 42 in the Office Action mailed June 27, 2003, have been considered and deemed persuasive. Therefore, new art is incorporated in this office action.

3. None of the old claims have been cancelled and the applicant has not added any new claims. Claims 1 – 42 are pending and are prosecuted in the response set out below.

#### ***Claim Rejections - 35 USC § 101***

4. Claims 1 – 42 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e. abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to

Art Unit: 3623

pass muster, the recited process must somehow apply, invoke, use, or advance the technological arts.

In the present case, the method, system and medium of categorizing an individual customer using a comparison method and a lifecycle factor is not affected by technology, and thus do not recite statutory subject matter. Use of a technological device, such as a computer, a computer operable medium, or some other technology device, is required for said claims to be considered within the technological arts and thus patentable.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. **Claims 1 – 3, 8, 9, 11 – 13, 15 – 17, 22, 23, 25 – 27, 29 – 31, 36, 37 and 39 -41** are rejected under 35 U.S.C. 103(a) as being unpatentable over the book “The One to One Fieldbook” by Don Peppers & Martha Rogers & Bob Dorf in view of the book “Marketing: Principles and Strategies” by Henry Assael.

As per claims 1, 15 and 29, “The One to One Fieldbook” teaches a method, computer system and medium of categorizing an individual customer, comprising the steps of:

selecting a measure on which the status of the individual customer is to be analyzed; (page 57, “the actual current value of a customer to your enterprise is equal to the net present value of all future profits from that customer”).

Art Unit: 3623

selecting a calculation period; (page 75, “by month, by year-to-date, with comparison to prior periods”).

selecting a comparison method; (page 59, “identify which ones fall into each of three distinct types of value – Most Valuable Customer, Most Growable Customer, and Below Zero”).

categorizing the individual customer by evaluating a plurality of categorization criteria, at least one of the plurality of categorization criteria including the computed lifecycle factor (page 59, “categorizing your customer by their value”) and other factors including “customer-acquisition cost, cost of servicing, profit, loyalty and attrition, related customer values and creditworthiness” (page 65).

“The One to One Fieldbook” also teaches the size and a growth of the customer according to the selected measure (page 65, “magnitude of volume growth or increased profits”),

“The One to One Fieldbook” does not specifically teach a lifecycle factor that is related to both size and growth of the customer base.

The textbook “Marketing: Principles and Strategies” teaches a customer lifecycle factor (page 314, figure 11.5), where the magnitude of the sales within a market is taught by the height of the curve, measured on the y-axis, and time stages is measured on the x-axis (page 312, “figure 11.5 shows the traditional bell-shaped curve for a product or a brand as it passes through the life cycle stages of introduction, growth, maturity and decline”).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate the customer life cycle factor into the “One on One Marketing fieldbook” because the marketing life cycle is old and very well known in the art as a method of graphically representing the volume of sales and the change of sales volume, known as growth,

Art Unit: 3623

over time. This graphical display of sales data would be much simpler to understand than a collection of sales data or a statistical regression model and therefore would be usable to people with no training in statistics or marketing, which would permit a much larger audience for the sales and growth information taught in the "One on One Marketing fieldbook". This simplified model would also point out where the fastest and strongest growth was occurring, thereby enabling the marketer to refocus his sales efforts on the most profitable customers.

7. As per claims 2, 16 and 30, "The One to One Fieldbook" teaches a method, computer system and medium wherein the measure is selected from a group including number of orders (page 75, "purchase frequency"), quantity of purchase (page 75, "products ordered") and revenue (page 84, "past and future expected customer revenue") attributable to the individual customer.

8. As per claims 3, 17 and 31, "The One to One Fieldbook" teaches a method, computer system and medium wherein the calculation period is selected from a group including daily (page 75, "year-to-date"), weekly, monthly (page 75, "month"), quarterly (page 76, "seasonally"), semi-annually, yearly (page 75), period and year over year (page 76).

9. As per claims 8, 9, 22, 23, 36 and 37, "The One to One Fieldbook" teaches a method, computer system and medium wherein the step of selecting the customer according to at least one of a plurality of customer selection parameters where the customer selection parameters include market segment (page 63 – 64, "Partition your customer base"), customer category (page 59, "Categorize your customers"), operating unit (page 76, "business units, divisions and subsidiaries") and geography (page 87, "geographic regions").

10. As per claims 11, 25 and 39, "The One to One Fieldbook" teaches a method, computer system and medium wherein the accessing step accesses a remote database (page 171, "Oracle or

Art Unit: 3623

IBM DB/2”) of customer data for a plurality (“list”) of customers is stored (page 171 - 172, “the ability to access customer lists instantaneously from anywhere-a field sales office in Martinique, a customer service center in Ireland, the corporate HQ, or a sales rep on a wireless PC modem US 1 in Miami”).

11. As per claims 12, 26 and 40, “The One to One Fieldbook” teaches a method, computer system and medium wherein the accessing step accesses a database over a computer network (page 43, “install the machine, connect it to your LAN”).

12. As per claims 13, 27 and 41, “The One to One Fieldbook” teaches a method, computer system and medium wherein the computer network includes the Internet (pages 303 - 327, “The One-to-One Web Site”).

### ***Claim Rejections - 35 USC § 103***

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 4, 18 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over the book “The One to One Fieldbook” by Don Peppers & Martha Rogers & Bob Dorf published in 1999, in view of the article “Determining the Going Market Value of a Business in an Emerging Information Technology Industry” by Kim, Mahajan and Srivastava published in 1995.

15. As per claims 4, 18 and 32, “The One to One Fieldbook” teaches a system and medium for marketing to individual customers by addressing that specific customer’s needs, by

Art Unit: 3623

incorporating that customer's demographic attributes, purchasing habits, profitability and by incorporating network and web based functionality. "The One to One Fieldbook" does not teach a comparison method is selected from a group including period over period and year over year.

Kim, Mahajan and Srivastava teach a comparison method selected from a group including period over period and year over year in that they teach the use of a graph that performs a comparison method of comparing different levels of cost of capital or profitability, and value of customers over the course of both periods and of years (page 18, figure 4, page 19, figure 5 and page 21, figure 7). The Kim, Mahajan and Srivastava also teaches valuing the future projected revenue, costs and profitability of an individual customer over an extended period of time and displaying this information on several charts.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate the Kim, Mahajan and Srivastava charts into the "The One to One Fieldbook" invention because both systems incorporate the same method of valuing an individual customer's future potential to the business and also because charts and graphs are old and well known in the art of business and marketing. Incorporating the visual graph to display changes in value of individual customers would permit the "The One to One Fieldbook" invention to increase the ease of use and hence increase the number of people able to use the invention and allow this marketing device to be used more frequently.

16. Claims 5 – 7, 10, 19 – 21, 24, 33 - 35 and 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over the book "The One to One Fieldbook" by Don Peppers & Martha Rogers & Bob Dorf, published in 1999, in view of the book "Marketing Management" by Philip Kotler published in 1997.



“The One to One Fieldbook” teaches a system and medium for marketing to individual customers by addressing that specific customer’s needs, by incorporating that customer’s demographic attributes by habits and by geography, profitability and by incorporating network and web based functionality. “The One to One Fieldbook” does not teach the use of a plurality of product life cycle stages.

Kotler teaches a system and medium for marketing to a mass group of customers by addressing that customer group’s specific demographic attributes, purchasing habits and profitability. Kotler also further defines the product being marketed by use of the product life cycle to describe the sales volume, revenue and profitability generated by a product at various stages in a product’s life.

As per Claims 5 - 7, 19 - 21 and 33 - 35, Kotler teaches a method, computer system and medium wherein the categorizing step assigns a customer to one of a plurality of stages according to which of the plurality of categorization criteria is satisfied. (pages 363 – 364, figure 12-8 & figure 12-9), wherein the plurality of stages includes at least one of New (page 350, “Introduction stage”), Growing (page 354, “Growth stage”), Stable (page 355, “Maturity stage”), Declining (page 358, “Decline Stage”), Defected (page 359) and Insignificant (page 358, “sales may plunge to zero, or they may petrify at a low level”), where the new stage is based upon a date at which an account is established for the customer (page 350, “the introduction stage starts when the new product is launched”).

It would have been obvious to one of ordinary skill in the art of marketing at the time the invention was made to incorporate the individual stages of the marketing life cycle within the “The One to One Fieldbook” invention because identifying each individual step is an old and

Art Unit: 3623

very well known concept in the field of marketing that is used to determine when a product can most profitably be marketed to a group. Since a group consists of individuals, each with a distinct set of demographic attributes, it would be obvious to use the marketing life cycle to identify the most profitable time for each individual customer to be marketed towards. This would prevent valuable resources to be spent most efficiently on those customers who were most receptive to marketing and not wasted on customers who no longer had a strong propensity to buy, thereby increasing the efficiency by which resources are allocated.

17. As per claims 10, 24 and 38, Kotler teaches a method, computer system and medium wherein the geography customer selection parameter includes at least one of a plurality of geographical sub-parameters, including area (page 256, "neighborhoods"), country (page 256, "nations"), region (page 256, "regions"), state/province (page 256, "states") and city (page 256, "cities").

It would have been obvious to one of ordinary skill in the art of marketing at the time the invention was made to enhance the "The One to One Fieldbook", which teaches the demographic of geography, to include a more granular breakdown of the geographical demographic data by country, region, state and city because this would allow marketing dollars to be targeted to where they could most efficiently be spent. This would result in a reduction of wasted marketing promotions and advertising that would otherwise be directed at an inappropriate audience.

18. Claims 14, 28 and 42, are rejected under 35 U.S.C. 103(a) as being unpatentable over the book "The One to One Fieldbook" by Don Peppers & Martha Rogers & Bob Dorf, in view of the book Marketing research in a Marketing Environment by Dillon, Madden & Firtle copyright 1987.

Art Unit: 3623

“The One to One Fieldbook” teaches a system and method for marketing to an individual using demographic attributes such as geographic area, marketing segment, market size and market growth. “The One to One Fieldbook does not specifically mention determining an absolute value or the difference of the selective measure.

Dillon, Madden & Firtle teaches eigen-vectors as weighting factors used to conduct discriminant analysis (page 507), calculation of a purchase intent (page 519) and using the single linkage or nearest neighbor method to perform cluster analysis (page 511). The nearest neighbor method uses “a minimum-distance rule that starts out by first finding those two objects having the shortest distance. They constitute the first cluster” (page 511). Since distance is essentially the absolute value of the differences in the coordinates of two points, Dillon, Madden & Firtle’s description of cluster analysis teaches the absolute value of a difference between two selected measures.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate into the “The One to One Fieldbook invention the concepts of discriminant analysis and cluster analysis because both concepts are used to categorize customers and both concepts are useful in determining how likely a customer is to buy a product, which Healy et al calls a propensity-to-buy. Cluster and discriminant analysis are two statistical analysis techniques that are old and well known in the art of marketing research and would be obvious to employ by a marketing researcher developing a tool to analyze marketing data.

*Response to Amendments*

19. Applicant's arguments filed November 4, 2003 have been fully considered and are considered moot in view of the newly incorporated art references.

Art Unit: 3623

**Conclusion**

20. No claims were allowed and all claims were rejected.
21. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Usrey (US 6,366,890) – Product inventory category management  
Cunningham et al (US 6,029,139) – Product category management  
Dillon, William R., Madden, Thomas J., and Firte, Neil H., "Marketing Research in a Marketing Environment", 1987, Irwin Inc., Third Edition  
Kim, Namwoon; Mahajan, Vijay; Srivastava, Rajendra; "Determining the Going Market Value of a Business in an Emerging Information Technology Industry: The Case of the Cellular Communications Industry", Technical Forecasting and Social Change, V49, #3, J1995

22. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Eric Shaffer whose telephone number is (703) 305-5283. The Examiner can normally be reached on Monday-Friday, 8:30 am - 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on (703) 305-9643.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 305-3900.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks  
Washington D.C. 20231

Or faxed to:

(703) 746-7238	[After Final communications, labeled "Box AF"]
(703) 746-7239	[Official communications]
(703) 706-9124	[Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 7<sup>th</sup> floor receptionist.

ETS  
February 11, 2004

  
TARIQ R. HAFIZ  
SUPERVISORY PATENT EXAMINER  
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